Sunstone Hotel Investors, Inc.

Form 4

February 22, 2017

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB

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OMB APPROVAL

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Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, obligations Section 17(a) of the Public Utility Holding Company Act of 1935 or Section may continue. 30(h) of the Investment Company Act of 1940 See Instruction

(Print or Type Responses)

1(b).

| 1. Name and Address of Reporting Person * Springer Robert C | | | 2. Issuer Name and Ticker or Trading Symbol | 5. Relationship of Reporting Person(s) to Issuer | | | |
|---|----------------------|----------|--|--|--|--|--|
| (Last) | (First) | (Middle) | Sunstone Hotel Investors, Inc. [SHO] 3. Date of Earliest Transaction | (Check all applicable) | | | |
| 120 VANTIS | , SUITE 350 | | (Month/Day/Year) 02/17/2017 | Director 10% OwnerX Officer (give title Other (specify below) Chief Investment Officer | | | |
| ALISO VIEJO | (Street) O, CA 92656 | | 4. If Amendment, Date Original Filed(Month/Day/Year) | 6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting Person | | | |
| (City) | (State) | (Zip) | Table I - Non-Derivative Securities Acq | uired, Disposed of, or Beneficially Owned | | | |

| | Table 1 - Non-Delivative Securities Acquired, Disposed of, or Deficiency Owned | | | | | | | | | |
|-----------------|--|---|--------|--------|-----------------|---------------------------|------------------|---------------------|--------------|--|
| 1.Title of | 2. Transaction Date | | 3. | 1 | | | | 6. | 7. Nature of | |
| Security | (Month/Day/Year) | Execution Date, if | | | | Securities | Ownership | Indirect | | |
| (Instr. 3) | | any | Code | (D) | | | Beneficially | Form: Direct (D) or | Beneficial | |
| | | (Month/Day/Year) (Instr. 8) (Instr. 3, 4 and 5) | | 5) | Owned Following | Ownership | | | | |
| | | | | (A) | | Reported | Indirect (I) | (Instr. 4) | | |
| | | | | | | Transaction(s) (Instr. 4) | | | | |
| | | | Code V | Amount | (D) | Price | (Instr. 3 and 4) | | | |
| Common Stock | 02/17/2017 | | A | 64,516 | A | <u>(1)</u> | 240,939.9581 | D | | |
| Common Stock | 02/18/2017 | | F | 13,111 | D | <u>(2)</u> | 227,828.9581 | D | | |
| Common Stock | 02/19/2017 | | F | 6,886 | D | <u>(3)</u> | 220,942.9581 | D | | |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

9. Nu Deriv Secur Bene Own Follo Repo Trans (Instr

| 1. Title of | 2. | 3. Transaction Date | 3A. Deemed | 4. | 5. | 6. Date Exerc | isable and | 7. Title | and | 8. Price of | 9 |
|-------------|-------------|---------------------|--------------------|------------|------------|------------------|------------|----------|----------|-------------|---|
| Derivative | Conversion | (Month/Day/Year) | Execution Date, if | Transacti | orNumber | Expiration Da | ate | Amour | nt of | Derivative | J |
| Security | or Exercise | | any | Code | of | (Month/Day/ | Year) | Underl | ying | Security | 5 |
| (Instr. 3) | Price of | | (Month/Day/Year) | (Instr. 8) | Derivative | e | | Securit | ies | (Instr. 5) |] |
| | Derivative | | | | Securities | | | (Instr. | 3 and 4) | | (|
| | Security | | | | Acquired | | | | | | J |
| | | | | | (A) or | | | | | | J |
| | | | | | Disposed | | | | | | - |
| | | | | | of (D) | | | | | | (|
| | | | | | (Instr. 3, | | | | | | |
| | | | | | 4, and 5) | | | | | | |
| | | | | | | | | | Amount | | |
| | | | | | | | | | or | | |
| | | | | | | Date | Expiration | | Number | | |
| | | | | | | Exercisable Date | Date | | of | | |
| | | | | Code V | (A) (D) | | | | Shares | | |

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

Springer Robert C 120 VANTIS SUITE 350 ALISO VIEJO, CA 92656

Chief Investment Officer

Signatures

**Signature of Date Reporting Person

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- On February 17, 2017, Sunstone Hotel Investors, Inc. (the "Company") granted 64,516 restricted shares of common stock to the

 (1) Reporting Person pursuant to its 2004 Long-Term Incentive Plan. Such shares are subject to the satisfaction of vesting requirements over a three-year period.
- On February 18, 2017, 23,732 restricted shares of common stock of Sunstone Hotel Investors, Inc. (awarded to the Reporting Person on February 18, 2016) vested, and 13,111 shares of common stock of Sunstone Hotel Investors, Inc. were withheld to satisfy tax withholding obligations. The closing price on February 17, 2017 (as February 18, 2017 fell on a weekend) of common stock of Sunstone Hotel Investors, Inc. on the New York Stock Exchange was \$15.13 per share.
- On February 19, 2017, 12,465 restricted shares of common stock of Sunstone Hotel Investors, Inc. (awarded to the Reporting Person on February 19, 2014) vested, and 6,886 shares of common stock of Sunstone Hotel Investors, Inc. were withheld to satisfy tax withholding obligations. The closing price on February 17, 2017 (as February 19, 2017 fell on a weekend) of common stock of Sunstone Hotel Investors, Inc. on the New York Stock Exchange was \$15.13 per share.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

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